



February 15, 2002

ENGROSSED HOUSE BILL No. 1065

DIGEST OF HB 1065 (Updated February 14, 2002 12:38 PM - DI 102)

Citations Affected: IC 5-10.2; IC 5-10.3; noncode.

Synopsis: Annual PERF cost of living adjustment. Establishes an annual cost of living adjustment for members of the public employees' retirement fund (PERF) (or their survivors or beneficiaries) subject to: (1) the inclusion of the increase in PERF's annual actuarial valuation; and (2) approval by the budget agency after review by the budget committee. Provides a cost of living adjustment in 2003 to members of the state teachers' retirement fund (TRF) (or their survivors or beneficiaries) who retired or were disabled before July 2, 2000.

Effective: July 1, 2002; January 1, 2003.

Tincher, Scholer, Crosby, Goodin, Cochran, Leuck

(SENATE SPONSORS — MEEKS R, HUME, FORD, CRAYCRAFT, GARD,
ANTICH)

January 8, 2002, read first time and referred to Committee on Ways and Means.
January 30, 2002, amended, reported — Do Pass.
February 4, 2002, read second time, ordered engrossed. Engrossed.
February 5, 2002, read third time, passed. Yeas 91, nays 1.

SENATE ACTION

February 11, 2002, read first time and referred to Committee on Pensions and Labor.
February 14, 2002, amended, reported favorably — Do Pass; reassigned to Committee on Finance.

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February 15, 2002

Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

ENGROSSED HOUSE BILL No. 1065

A BILL FOR AN ACT to amend the Indiana Code concerning pensions.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 5-10.2-5-32 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2003]: **Sec. 32. (a) The pension portion (plus**
4 **postretirement increases to the pension portion) provided by**
5 **employer contributions of the monthly benefit payable after**
6 **December 31, 2002, to a member of the Indiana state teachers'**
7 **retirement fund (or to a survivor or beneficiary of a member of the**
8 **Indiana state teachers' retirement fund) who retired or was**
9 **disabled:**
10 (1) after July 1, 1995, and before July 2, 2000, shall be
11 increased by one percent (1%);
12 (2) after July 1, 1977, and before July 2, 1995, shall be
13 increased by two percent (2%); and
14 (3) before July 2, 1977, shall be increased by three percent
15 (3%).
16 (b) The increases specified in this section:
17 (1) are based upon the date of the member's latest retirement

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or disability;

(2) do not apply to benefits payable in a lump sum; and

(3) are in addition to any other increase provided by law.

SECTION 2. IC 5-10.3-8-13 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 13. (a) The pension portion (plus postretirement increases to the pension portion) provided by employer contributions of the monthly benefit payable to a member of the fund (or to a survivor or beneficiary of a member of the fund) shall be increased each year on January 1, beginning on January 1, 2003, by the lesser of:

(1) two percent (2%); or

(2) the annual cost of living adjustment computed under 42 U.S.C. 415 and published in the Federal Register in accordance with 42 U.S.C. 215(i)(2)(D).

(b) The increase described in subsection (a) is payable to a member of the fund (or to a survivor or beneficiary of a member of the fund) who has been retired or disabled for at least one (1) year on the date that the increase is effective.

(c) Each year the increase described in subsection (a) is subject to:

(1) the increase being included in the annual actuarial valuation of the fund; and

(2) approval by the budget agency after review by the budget committee.

SECTION 3. [EFFECTIVE JULY 1, 2002] IC 5-10.3-8-13, as added by this act, applies to monthly benefits payable by the public employees' retirement fund after December 31, 2002.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1065, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 5-10.2-5-32 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: **Sec. 32. (a) The pension portion (plus postretirement increases to the pension portion) provided by employer contributions of the monthly benefit payable after December 31, 2002, to a member of the Indiana state teachers' retirement fund (or to a survivor or beneficiary of a member of the Indiana state teachers' retirement fund) who retired or was disabled:**

(1) after July 1, 1995, and before July 2, 2000, shall be increased by one percent (1%);

(2) after July 1, 1977, and before July 2, 1995, shall be increased by two percent (2%); and

(3) before July 2, 1977, shall be increased by three percent (3%).

(b) The increases specified in this section:

(1) are based upon the date of the member's latest retirement or disability;

(2) do not apply to benefits payable in a lump sum; and

(3) are in addition to any other increase provided by law."

Re-number all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1065 as introduced.)

BAUER, Chair

Committee Vote: yeas 19, nays 2.

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SENATE MOTION

Mr. President: I move that Senator Antich be added as cosponsor of Engrossed House Bill 1065.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Pensions and Labor, to which was referred House Bill No. 1065, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, line 24, delete "the governor's".

Page 2, line 24, delete "." and insert "**by the budget agency after review by the budget committee.**".

and when so amended that said bill be reassigned to the Senate Committee on Finance.

(Reference is to HB 1065 as printed January 31, 2002.)

HARRISON, Chairperson

Committee Vote: Yeas 9, Nays 1.

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